

Section 6

MONETRY SECTOR

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Table (24) : Developments in Main Monetary Aggregates
(July 2011)

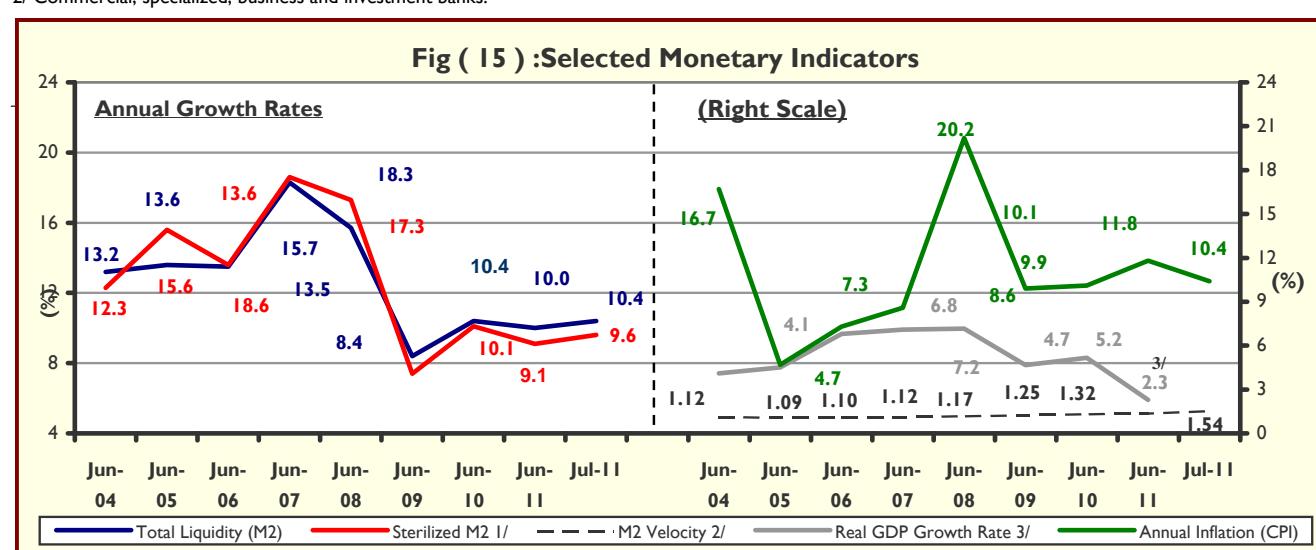
	1 Month % Change	3 Month % Change	12 Month % Change	Full Year Average % Change ^{1/}
Net Foreign Assets (LE terms)	0.03	-1.0	-10.5	5.1
CBE NFA	-3.7	-8.4	-25.6	-1.8
CBE NIR	-3.1	-8.3	-23.8	-1.5
Banks NFA 2/	5.2	10.3	20.4	19.3
Net Foreign Assets (US dollar terms)	-0.1	-1.0	-14.4	-0.2
CBE NFA	-3.8	-8.4	-28.8	-6.8
CBE NIR	-3.2	-8.3	-27.1	-6.5
Banks NFA 2/	5.1	10.3	15.1	13.4
Net Domestic Assets	1.3	4.8	19.7	14.6
Net Claims on Government and GASC	3.8	6.2	31.0	22.6
Claims on Public Companies	1.1	-1.1	8.6	-6.1
Claims on Private Sector	0.06	1.2	1.3	6.4
Total Liquidity (M2)	0.9	3.3	10.4	11.6
Money (M1)	2.2	5.1	19.2	16.7
Quasi Money	0.5	2.6	7.8	10.1

Source: Central Bank of Egypt.

1/ Average year on year growth for twelve successive observations.

2/ Commercial, specialized, business and investment banks.

Fig (15) :Selected Monetary Indicators



Source: Central Bank of Egypt.

1/ This concept neutralizes the impact of exchange rate movements on M2 by applying previous year's prevailing exchange rate to current period foreign currency component in total liquidity.

2/ According to the Ministry of Economic Development, GDP (at market prices) for 2011/2012 is projected to reach LE 1570 billion compared to a revised figure of LE 1371 billion expected in 2010/2011.

3/ Real Growth of GDP at market prices. Data reflects the real GDP Growth for the period July-March 2010/2011.

Table (25) : Monetary Survey
Assets and Liabilities of The Banking Sector
(July 2011)

	Jul-06	Jul-07	Jul-08	Jul-09	Jul-10	Apr-11	May-11	Jun-11 [#]	(LE Millions) Jul-11 [*]
Net Foreign Assets 1/	133,959	220,004	296,623	256,676	283,386	256,212	253,644	253,500	253,574
	(41.3)	(64.2)	(34.8)	-(13.5)	(10.4)	-(11.3)	-(7.3)	-(10.2)	-(10.5)
Central bank (Net)	62,887	101,462	180,186	172,158	190,478	154,804	150,123	147,197	141,735
Foreign Assets	129,858	164,558	181,876	173,423	198,884	162,852	159,314	156,331	150,845
Foreign Liabilities	66,971	63,096	1,690	1,265	8,406	8,048	9,191	9,134	9,110
Banks (Net)	71,072	118,542	116,437	84,518	92,908	101,408	103,521	106,303	111,839
Foreign Assets	87,164	142,335	140,041	110,186	123,812	136,472	140,090	139,149	142,545
Foreign Liabilities	16,092	23,793	23,604	25,668	30,904	35,064	36,569	32,846	30,706
Net Domestic Assets of which:	433,145	451,037	478,638	578,781	639,251	730,580	740,787	755,856	765,361
	(5.4)	(4.1)	(6.1)	(20.9)	(10.4)	(21.5)	(19.0)	(19.0)	(19.7)
Net Claims on Government, and GASC 1/	187,596	182,802	188,498	294,821	346,458	427,591	434,684	437,192	453,920
National Currency	241,833	233,354	240,007	359,801	410,804	511,464	518,986	524,207	542,235
Foreign Currency	-54,237	-50,552	-51,509	-64,980	-64,346	-83,873	-84,302	-87,015	-88,315
Claims on Public Business Sector	32,983	24,423	27,072	33,591	30,701	33,688	33,083	32,975	33,331
National Currency	26,563	18,202	19,630	24,604	21,899	25,119	24,812	24,853	25,360
Foreign Currency	6,420	6,221	7,442	8,987	8,802	8,569	8,271	8,122	7,971
Claims on Private Sector 2/	291,428	331,786	375,433	382,491	417,195	417,847	417,336	422,459	422,692
National Currency	219,644	245,760	269,223	284,484	307,676	308,571	311,908	316,938	317,129
Foreign Currency	71,784	86,026	106,210	98,007	109,519	109,276	105,428	105,521	105,563
Other Items (net) 1/ 3/	-78,862	-87,974	-112,365	-132,122	-155,103	-148,546	-144,316	-136,770	-144,582
Total Liquidity (M2)	567,104	671,041	775,261	835,457	922,637	986,792	994,431	1,009,356	1,018,935
	(12.1)	(18.3)	(15.5)	(7.8)	(10.4)	(10.8)	(11.0)	(10.0)	(10.4)
Money (M1) 4/	114,518	136,849	170,960	185,793	213,291	241,864	244,041	248,695	254,285
	(22.4)	(19.5)	(24.9)	(8.7)	(14.8)	(17.7)	(19.2)	(16.2)	(19.2)
Currency in Circulation	78,276	90,594	107,573	122,161	139,528	165,003	167,450	167,885	171,043
Demand Deposits in Local Currency	36,242	46,255	63,387	63,632	73,763	76,861	76,591	80,810	83,242
Quasi Money	452,586	534,192	604,301	649,664	709,346	744,928	750,390	760,661	764,650
	(9.8)	(18.0)	(13.1)	(7.5)	(9.2)	(8.8)	(8.5)	(8.1)	(7.8)
Local Currency Time and Savings Deposits	315,575	381,321	444,247	485,935	550,259	566,290	571,957	583,690	585,258
Foreign Currency Demand Deposits	19,917	23,692	27,589	30,031	33,981	44,613	44,129	41,296	43,106
Foreign Currency Time and Savings Deposits	117,094	129,179	132,465	133,698	125,106	134,025	134,304	135,675	136,286

Source: Central Bank of Egypt.

() Percent change over previous year.

* Preliminary.

Revised.

1/ The agreement between CBE and Ministry of Finance to use part of the blocked account balance to retire part of the bonds outstanding on government to CBE became effective as of June 2008.

2/ Includes claims on private business sector and household sector.

3/ Includes capital accounts, unclassified net assets and liabilities, net interbank debt, and credit positions.

4/ Excludes drafts and checks under collection.

Table (25) : Monetary Survey (continued)
 (Memorandum Items)
 (July 2011)

	Jul-06	Jul-07	Jul-08	Jul-09	Jul-10	Apr-11	May-11	Jun-11 #	Jul-11 *
Net Foreign Assets (In Million US\$)^{4/}	23,330	38,784	55,891	46,115	49,845	43,086	42,740	42,698	42,652
Central bank NFA	10,952	17,886	33,951	30,930	33,504	26,032	25,297	24,793	23,840
Net International Reserves	34,994	49,907	56,209	46,342	51,324	44,439	44,289	44,236	44,184
Central Bank (Gross)	23,051	29,581	34,683	31,626	35,278	28,024	27,228	26,569	25,706
Banks (net)	12,378	20,897	21,939	15,185	16,342	17,053	17,444	17,905	18,812
Foreign assets	15,181	25,092	26,387	19,796	21,778	22,950	23,606	23,437	23,977
Foreign Liabilities	2,803	4,194	4,448	4,612	5,436	5,897	6,162	5,532	5,165
In Percent of Beginning of Money Stocks^{5/}									
Net Foreign Assets	0.1%	0.2%	-0.9%	0.3%	0.1%	-2.9%	-3.1%	-3.2%	0.01%
Net Domestic Assets	1.1%	1.1%	2.0%	0.2%	0.5%	10.4%	11.5%	13.2%	0.9%
Money (M1)	0.9%	0.8%	0.0%	0.3%	-0.1%	3.0%	3.3%	3.8%	0.6%
Quasi Money	0.3%	0.4%	1.1%	0.2%	0.6%	4.5%	5.1%	6.2%	0.4%
Dollarization (% of Total Liquidity) ^{6/}	24.2	22.8	20.6	19.6	17.2	18.1	17.9	17.5	17.6
M2 Multiplier ^{7/}	5.02	4.81	4.59	4.85	4.40	4.10	4.02	4.02	4.03
M2 Velocity ^{8/}	1.31	1.33	1.34	1.44	1.49	1.40	1.38	1.36	1.54
M2 (annual percentage change)	12.1	18.3	15.5	7.8	10.4	10.8	11.0	10.0	10.4
Credit to private sector (annual percentage change) ^{9/}	8.1	13.8	13.2	1.9	9.1	4.5	2.7	0.8	1.3
Exchange Rate ^{10/}	5.74	5.67	5.31	5.57	5.69	5.95	5.93	5.94	5.95

Source: Central Bank of Egypt.

* Preliminary.

Revised.

4/ Net Foreign Assets equals Central Bank NFA plus banks (net).

5/ Shows the annual percent change of selected aggregates in percent of total liquidity at beginning of fiscal year. This indicator is intended to show sources of money growth during the fiscal year in study.

6/ Denotes the ratio of foreign currency demand deposits and time and savings deposits to total liquidity. It excludes non-residents deposits which are counted in the net foreign assets line as well as government deposits.

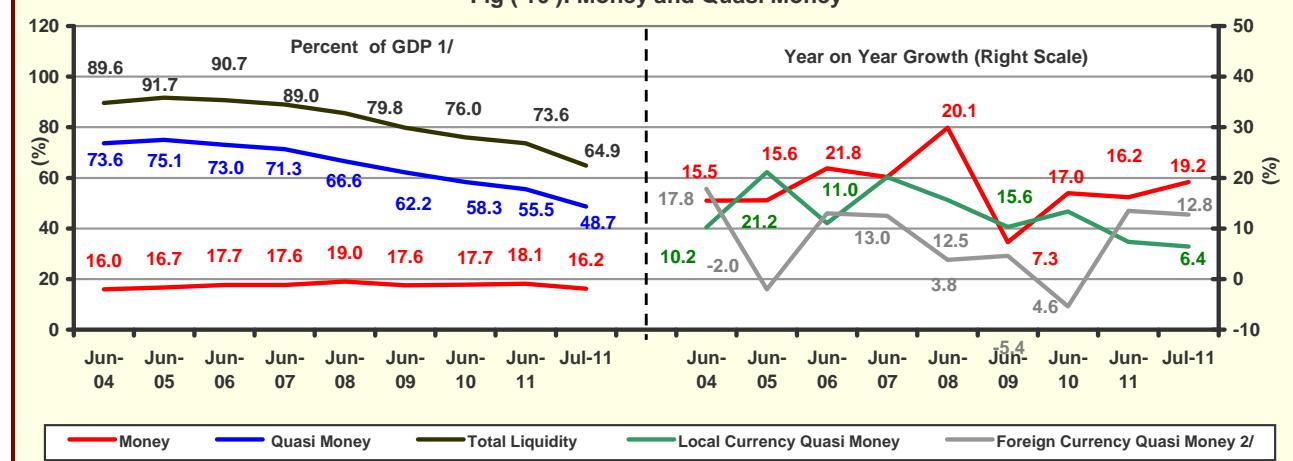
7/ M2 / Reserve Money.

8/ GDP / M2. According to the Ministry of Economic Development, GDP (at market prices) for 2011/2012 is projected to reach LE 1570 billion compared to a revised figure of LE 1373 billion expected in 2010/2011.

9/ Includes claims on private business sector and household sector.

10/ Starting January 2003 rates are based on buy rates only, while prior to that date rates were based on the average buy / sell rates.

Fig (16) : Money and Quasi Money



Source: Central Bank of Egypt.

1/ According to the Ministry of Economic Development, GDP (at market prices) for 2011/2012 is projected to reach LE 1570 billion compared to a revised figure of LE 1371 billion expected in 2010/2011.

2/ Foreign currency demand, and time and savings deposits.

Table (26) : Central Bank Reserve Money ^{1/}

(LE Millions)

	Jul-06	Jul-07	Jul-08	Jul-09	Jul-10	Apr-11	May-11	Jun-11	Jul-11*
Reserve Money	112,979	139,521	168,865	172,166	209,567	240,849	247,102	250,990	252,870
	(8.8)	(16.2)	(21.0)	(2.0)	(21.7)	(20.5)	(28.5)	(23.6)	(20.7)
Currency in Circulation	82,746	96,462	114,473	129,254	148,283	175,752	178,632	179,094	182,544
	(17.4)	(16.6)	(18.7)	(12.9)	(14.7)	(27.5)	(25.9)	(24.2)	(23.1)
Banks LE Deposits with CBE	30,233	43,059	54,392	42,912	61,284	65,097	68,470	71,896	70,326
	-	-	--	-(21.1)	(42.8)	(4.8)	(35.9)	(22.2)	(14.8)
Counter Assets:									
Net Foreign Assets ^{2/}	62,887	101,462	180,187	172,158	190,478	154,804	150,123	147,197	141,735
	(41.3)	(61.3)	(77.6)	-(4.5)	(10.6)	-(14.9)	-(20.3)	-(22.6)	-(25.6)
Net Domestic Assets ^{2/}	50,092	38,059	-11,322	8	19,089	86,045	96,979	103,793	111,135
	-	-(126.9)	-(129.7)	(100.1)	(238512.5)	(378.8)	(2402.7)	(708.5)	(482.2)
Net Claims on Government ^{3/}	121,865	120,115	99,574	89,075	95,536	108,404	117,198	102,535	127,724
	(54.8)	-(1.4)	-(17.1)	-(10.5)	(7.3)	(43.5)	(55.6)	(27.2)	(33.7)
Claims	177,491	195,500	170,139	157,632	165,289	191,806	201,543	189,619	198,489
	-(2.7)	(10.1)	-(13.0)	-(7.4)	(4.9)	(25.0)	(30.9)	(26.2)	(20.1)
Securities	164,761	166,724	123,123	130,771	130,596	130,597	130,597	130,597	129,097
Credit Facilities	12,730	28,776	47,016	26,861	34,693	61,209	70,946	59,022	69,392
Deposits ^{4/}	55,626	75,385	70,565	68,557	69,753	83,402	84,345	87,084	70,765
	-(46.3)	(35.5)	-(6.4)	-(2.8)	(1.7)	(7.1)	(7.3)	(25.0)	(1.5)
Net Claims on Banks	-1,405	56,804	69,431	4,130	27,192	-856	-1,544	147	1,128
Net Balancing Items ^{5/}	-138,012	-138,860	-180,327	-93,197	-103,639	-21,503	-18,675	1,111	-17,717
Memorandum Items									
Reserve Money Velocity ^{6/ 7/}	6.59	6.42	6.17	7.01	6.58	5.72	5.56	5.46	6.21

Source: Central Bank of Egypt.

() Percent change over same period in previous year.

* Preliminary.

-- Data unavailable.

1/ Revised series due to the new accounting treatment of "Open market operations". Starting June 2003 data under the new treatment value of open market operations was excluded from banks deposits in local currency with the CBE and instead incorporated under net balancing items.

2/ The agreement between CBE and Ministry of Finance to use part of the blocked account balance to retire part of the bonds outstanding on government to CBE became effective as of June 2008.

3/ Includes net claims on public economic authorities and National Investment Bank (NIB).

4/ All government deposit accounts (including public economic and services authorities) were switched, as of December 2006, to the Treasury Single Account (TSA) at the Central Bank, pursuant to the Law no. 139 of 2006.

5/ Includes net unidentified assets and liabilities and open market operations.

6/ GDP / Reserve Money (M0).

7/ According to the Ministry of Economic Development, GDP (at market prices) for 2011/2012 is projected to reach LE 1570 billion compared to a revised figure of LE 1371 billion expected in 2010/2011.

Table (27) : Deposits With Banks ^{1/}

(LE Millions)

	Jul-06	Jul-07	Jul-08	Jul-09	Jul-10	Apr-11	May-11	Jun-11	Jul-11 *
Total Deposits	577,208	662,342	763,417	822,570	901,024	945,727	951,703	965,404	972,810
	(8.9)	(14.7)	(15.3)	(7.7)	(9.5)	(6.7)	(7.8)	(7.2)	(8.0)
In local currency	408,584	477,118	567,422	614,630	693,506	712,531	718,499	733,311	737,553
In foreign currency	168,624	185,224	195,995	207,940	207,518	233,196	233,204	232,093	235,257
Non Government Deposits ^{2/}	491,756	585,507	672,637	718,812	788,806	828,224	833,286	848,063	854,339
	(11.1)	(19.1)	(14.9)	(6.9)	(9.7)	(8.2)	(8.5)	(7.7)	(8.3)
In local currency	353,558	430,699	510,834	551,962	627,070	646,150	651,450	667,374	671,226
In foreign currency	138,198	154,808	161,803	166,850	161,736	182,074	181,836	180,689	183,113
Government Deposits	85,452	76,835	90,780	103,758	112,218	117,503	118,417	117,341	118,471
	-(2.2)	-(10.1)	(18.1)	(14.3)	(8.2)	-(3.1)	(3.3)	(4.1)	(5.6)
In local currency	55,026	46,419	56,588	62,668	66,436	66,381	67,049	65,937	66,327
In foreign currency	30,426	30,416	34,192	41,090	45,782	51,122	51,368	51,404	52,144
Memorandum Items									
(In Percent):									
Dollarization in Total Deposits	29.2	28.0	25.7	25.3	23.0	24.7	24.5	24.0	24.2
Dollarization in Non-Government Deposits	28.1	26.4	24.1	23.2	20.5	22.0	21.8	21.3	21.4
Dollarization in Government Deposits	35.6	39.6	37.7	39.6	40.8	43.5	43.4	43.8	44.0

Source: Central bank of Egypt.

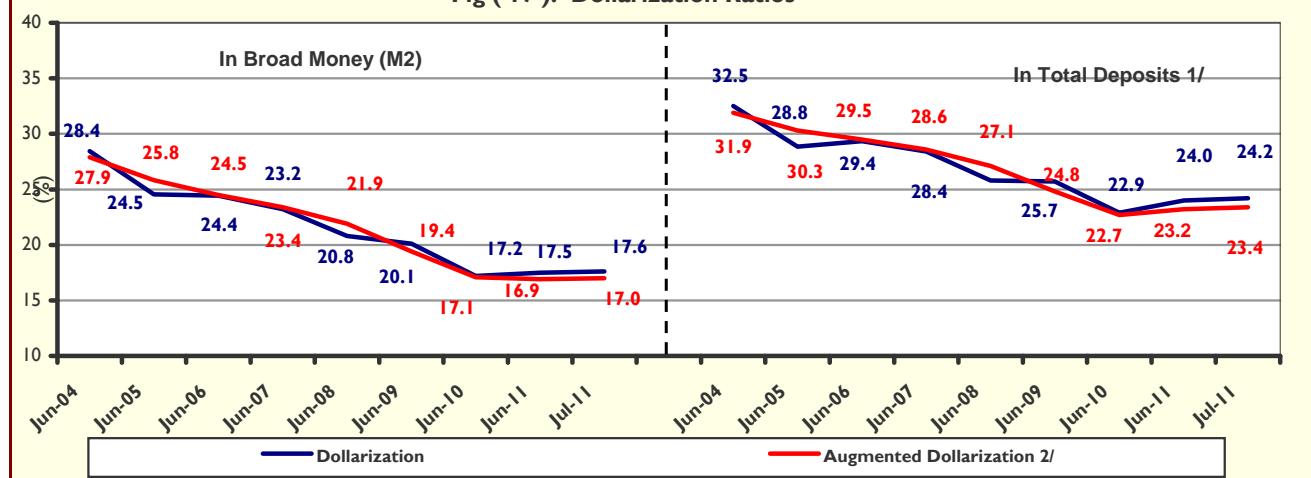
() Percent change over same period in previous year.

* Preliminary.

1/ Excludes deposits held with the Central Bank of Egypt.

2/ Includes deposits of private business sector, public business sector, household sector, and non-resident (foreign sector). Excludes drafts and checks under collection.

Fig (17) : Dollarization Ratios



Source: Central Bank of Egypt.

1/ Excludes Deposits with CBE.

2/ "Augmented Dollarization" excludes the impact of exchange rate revaluation on dollarization ratios. For example in June-08, dollarization in total deposits would have been 27.1% instead of 25.8% if exchange rate was unchanged during the previous year.

Table (28) : Credit Provided By Banks ^{1/}

	Jul-06	Jul-07	Jul-08	Jul-09	Jul-10	Apr-11	May-11	Jun-11	Jul-11	*
Total lending	322,320	357,604	406,613	427,598	464,617	473,045	470,933	474,139	475,401	
	(4.4)	(10.9)	(13.7)	(5.2)	(8.7)	(4.4)	(3.0)	(1.7)	(2.3)	
To Government ^{2/}	20,363	26,709	30,495	30,955	39,785	41,449	40,389	39,802	40,317	
	(-8.2)	(31.2)	(14.2)	(1.5)	(28.5)	(7.7)	(3.7)	(1.1)	(1.3)	
In local currency	11,146	10,543	9,513	13,796	17,742	18,617	18,327	18,191	17,950	
In foreign currency	9,217	16,166	20,982	17,159	22,043	22,832	22,062	21,611	22,367	
To Non-Government	301,957	330,895	376,118	396,643	424,832	431,596	430,544	434,337	435,084	
	(5.4)	(9.6)	(13.7)	(5.5)	(7.1)	(4.1)	(2.9)	(1.8)	(2.4)	
In local currency	225,489	239,094	260,738	280,325	296,583	301,633	304,727	309,573	310,380	
In foreign currency	76,468	91,801	115,380	116,318	128,249	129,963	125,817	124,764	124,704	
Memorandum Items (In Percent):										
Credit to private sector ^{3/} / Total Credit	83.5	85.8	85.9	85.0	84.9	84.2	84.5	84.7	84.6	
Non Government Loans/ Deposits ^{4/}	61.4	56.5	55.9	55.2	53.9	52.1	51.7	51.2	50.9	
Government Loans / Deposits	23.8	34.8	33.6	29.8	35.5	35.3	34.1	33.9	34.0	
Foreign currency denominated credit to total credit	26.6	30.2	33.5	31.2	32.3	32.3	31.4	30.9	30.9	
Government foreign currency denominated credit to total government credit	45.3	60.5	68.8	55.4	55.4	55.1	54.6	54.3	55.5	
Non - government foreign currency denominated credit to total non-government credit	25.3	27.7	30.7	29.3	30.2	30.1	29.2	28.7	28.7	

Source: Central Bank of Egypt.

() Percent change over previous year

* Preliminary.

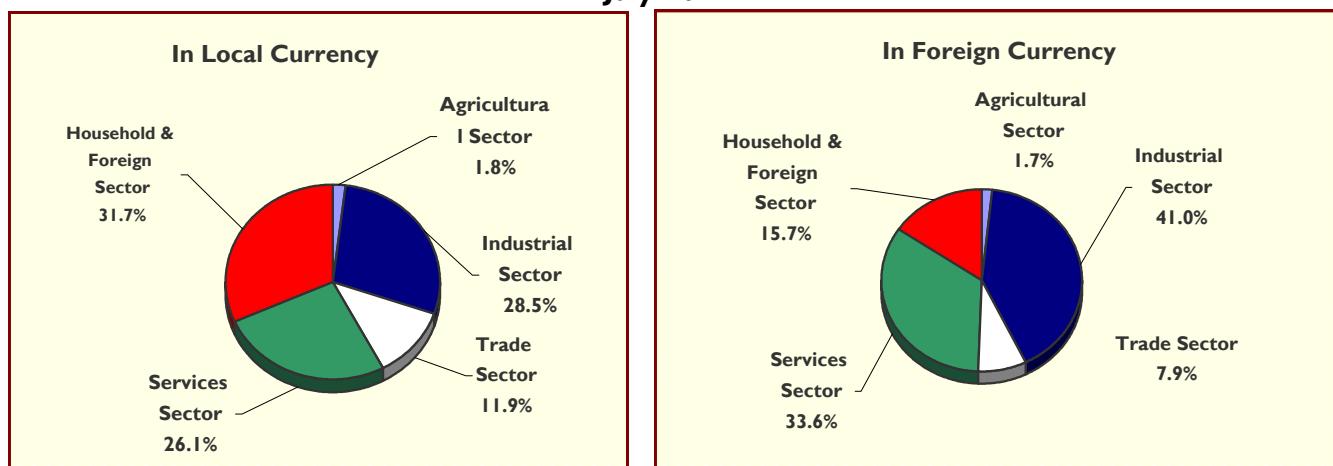
1/ Excludes credit provided by the Central Bank of Egypt.

2/ Includes central government and economic authorities.

3/ Includes private business sector, household sector, and non-resident (foreign sector).

4/ Non government sector includes public business sector, private business sector, household sector, and non resident (foreign sector).

**Fig (18) : Sectoral Distribution of Non-Government Credit Facilities
July-2011**



Source: Central Bank of Egypt.

Table (29) : Domestic Interest Rates

	CBE Discount Rate ^{1/}	Lending Rate (Less than one year loans) ^{2/}	3 Months Deposit Rate ^{2/}	3 Months T-bills	Investment Certificates ^{1/3/}	Post office Saving Deposits ^{1/}
Yearly Average						
2002/2003	10.00	13.70	8.69	8.31	10.50	10.50
2003/2004	10.00	13.40	7.96	8.41 ^{1/}	10.50	10.50
2004/2005	10.00	13.39	7.66	10.12	10.50	10.50
2005/2006	9.00	12.71	6.53	8.82	9.50	9.50
2006/2007	9.00	12.64	6.01	8.65	10.00	9.50
2007/2008	10.00	12.22	6.09	6.97	10.00	9.50
2008/2009	9.00	12.39	7.03	11.32	10.00	9.27
2009/2010	8.50	11.35	5.97	9.86	9.58	9.00
2010/2011	8.50	10.84	6.52	10.20	9.50	9.00
Monthly Average						
Aug-10	8.50	10.90	6.30	9.72	9.50	9.00
Sep-10	8.50	10.90	6.40	9.56	9.50	9.00
Oct-10	8.50	11.00	6.60	9.06	9.50	9.00
Nov-10	8.50	10.90	6.60	8.93	9.50	9.00
Dec-10	8.50	10.70	6.60	9.06	9.50	9.00
Jan-11	8.50	10.70	6.50	9.49	9.50	9.00
Feb-11	8.50	10.60	6.50	10.59	9.50	9.00
Mar-11	8.50	10.70	6.50	11.32	9.50	9.00
Apr-11	8.50	10.80	6.60	11.18	9.50	9.00
May-11	8.50	10.80	6.70	11.56	9.50	9.00
Jun-11	8.50	11.00	6.60	11.72	9.50	9.00
Jul-11	8.50	11.00	6.70	11.91	9.50	9.00
Aug-11	8.50	--	--	11.93	9.50	9.00

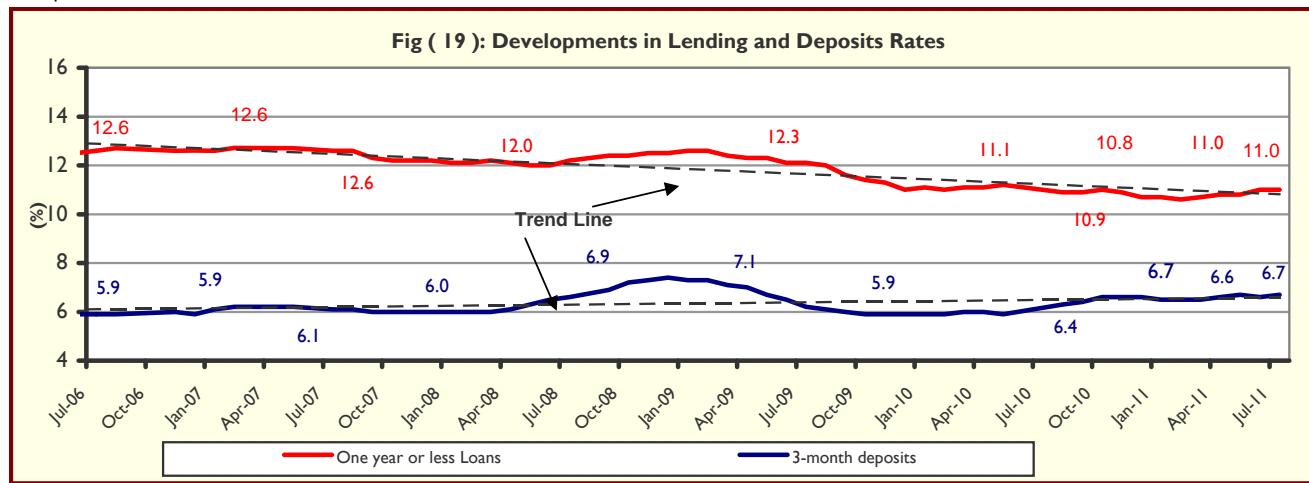
Source: Central Bank of Egypt.

-- Data unavailable.

1/ End of period rate.

2/ Starting September 2005, data reflects weighted average monthly interest rates for a sample of banks representing 80 percent of banking system operations. Prior to this date, figures reflect simple average weekly interest rates for most banks' operations.

3/ Simple Interest.



Source: Central Bank of Egypt.

Table (30) : Average Interbank Rates ^{1/}

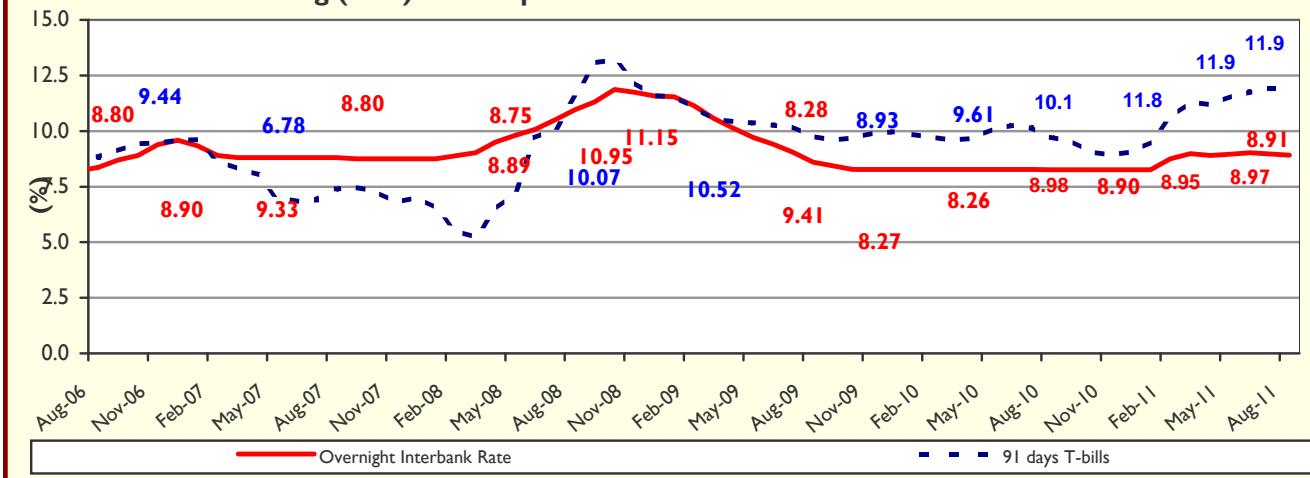
	Overnight	One Week	Month	More than One Month
Yearly Average				
2003	8.4	9.4	9.7	9.9
2004	8.2	9.8	10.7	10.3
2005	9.5	10.1	10.4	10.7
2006	8.6	8.8	8.8	8.8
2007	8.8	8.9	9.0	9.1
2008	10.3	10.3	10.2	10.3
2009	9.5	9.5	9.1	9.6
2010	8.3	8.3	8.3	8.4
Monthly Average				
Aug-10	8.26	8.28	--	--
Sep-10	8.26	8.27	8.25	--
Oct-10	8.26	8.26	8.29	--
Nov-10	8.26	8.26	--	8.40
Dec-10	8.26	8.27	--	8.36
Jan-11	8.26	8.27	8.50	8.27
Feb-11	8.74	8.86	--	--
Mar-11	8.98	9.16	--	9.60
Apr-11	8.90	9.04	--	9.60
May-11	8.95	9.10	9.50	9.50
Jun-11	9.02	9.12	9.55	9.50
Jul-11	8.97	9.13	9.56	9.59
Aug-11	8.91	9.16	9.51	9.30

Source: Central Bank of Egypt.

-- Data not available.

1/ Starting March 2003, average interbank rate replaced CAIBOR average " Bid " rate. The interbank rate is considered to be a better measurement to market developments for its wider coverage of commercial , specialized, and investment banks' .

Fig (20) : Developments in Interbank and T-bills Rates



Source: Central Bank of Egypt.